



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/363,742	02/01/2012	Jeffrey Allen Cox	P00737-US-UTIL (1788-76)	9771
71973	7590	01/19/2017	EXAMINER	
BudzynFortunato IP Law, LLC 120 Eagle Rock Avenue Suite 328 East Hanover, NJ 07936			ZIEGLE, STEPHANIE M	
			ART UNIT	PAPER NUMBER
			3694	
			MAIL DATE	DELIVERY MODE
			01/19/2017	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex Parte JEFFREY ALLEN COX and MOSTAFA HUSSEIN SABET

Appeal 2015-001517¹
Application 13/363,742²
Technology Center 3600

Before MURRIEL E. CRAWFORD, NINA L. MEDLOCK, and
AMEE A. SHAH, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1, 2, 4, 5, and 7. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("App. Br.," filed August 22, 2014) and Reply Br. ("Reply Br.," filed November 14, 2014), and the Examiner's Answer ("Ans.," mailed September 16, 2014) and Final Office Action ("Final Act.," mailed February 19, 2014).

² Appellants identify MasterCard International, Incorporated as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellants' claimed invention "relates to systems and methods for pre-purchasing gasoline without taking delivery thereof at the time of purchase" (Spec. ¶ 1).

Claim 1, reproduced below, is the sole independent claim and representative of the claimed subject matter:

1. A method for permitting a consumer to purchase gasoline from a retail location without contemporaneously taking delivery of the gasoline, said method comprising:

recording details in a database of a purchase, based on a financial transaction instrument, of a specified number of units of gasoline at a specified price per unit, without delivery of said gasoline, to establish, in an account, a first credit, said first credit being associated with one or more gas retail locations, said account being associated with said financial transaction instrument;

authenticating a transaction of a sale amount, based on said financial transaction instrument, over a computer network to purchase a certain number of units of gasoline at a certain price per unit, with delivery, from a transacted gas retail location;

processing said transaction, based on said financial transaction instrument, including comparing said transaction with said first credit, using a computing device,

wherein, if it is determined that said transacted gas retail location does not correspond with any of said one or more gas retail locations associated with said first credit, then,

said sale amount is cleared against said financial transaction instrument with no adjustment of said first credit, and

wherein, if it is determined that said transacted gas retail location corresponds with one of said one or more gas retail locations associated with said first credit, then,

if it is determined that said specified number of units is equal to or greater than said certain number of units, a credit is established equal to said

sale amount, and said first credit is adjusted to reflect an adjusted first credit corresponding to a number of units equal to the difference between said specified number of units and said certain number of units, and corresponding to said specified price per unit, and,

if it is determined that said certain number of units is greater than said specified number of units, a charge is calculated by taking the difference between said certain number of units and said specified number of units and multiplying said difference by said certain price per unit, said first credit being adjusted to zero;

selectively adjusting said sale amount to reflect an adjusted sale amount by,

if it is determined that said specified number of units is equal to or greater than said certain number of units, making said adjusted sale amount equal to said sale amount reduced by said credit, and

if it is determined that said certain number of units is greater than said specified number of units, making said adjusted sale amount equal to said charge, and

clearing said adjusted sale amount as a final transaction applied against said financial transaction instrument.

REJECTIONS

Claims 1, 2, 4, 5, and 7 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1, 2, 4, 5, and 7 are rejected under 35 U.S.C. § 103(a) as unpatentable over Hwang (US 2010/0306078 A1, pub. Dec. 2, 2010), Stouffer (US 2012/0130787 A1, pub. May 24, 2012), and Ruckart (US 2007/0267482 A1, pub. Nov. 22, 2007).

ANALYSIS

Non-Statutory Subject Matter

Appellants argue claims 1, 2, 4, 5, and 7 as a group (Reply Br. 2–4). We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. *See* 37 C.F.R. §41.37(c)(1)(iv).

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” *id.*, e.g., to an abstract idea. If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1297).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena,

or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery.

See Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1336 (Fed. Cir. 2016).

In this regard, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games America, Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Turning to the framework set forth in *Alice*, and as the first step of that analysis, we agree with the Examiner that claim 1 is directed to conducting a transaction for the purchase of goods, i.e., gasoline, for future delivery, i.e., to a fundamental economic practice, which is an abstract idea (Ans. 2).

Appellants ostensibly argue that the rejection is improper because Examiner has “provided no proof that the actual limitations of the appealed claims constitute a fundamental economic principle and, thus, may be considered an abstract idea” (Reply Br. 2). But there is no such requirement. Instead, the Federal Circuit has held that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” *Cf. In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Thus, “all that is

required of the office to meet its prima facie burden of production is to set forth the statutory basis of the rejection and the reference or references relied upon in a sufficiently articulate and informative manner as to meet the notice requirement of § 132.” *Id.* at 1363.

In rejecting the pending claims under § 101, the Examiner notified Appellants that the claims are directed to the abstract idea of conducting a transaction, which is a fundamental economic practice, and that the additional claim elements or combination of elements in the claims amount to no more than “mere instructions to implement the idea on a computer or recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine, and conventional activities previously known to the pertinent industry” (Ans. 2). The Examiner, thus, notified Appellants of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. And, in doing so, the Examiner set forth a prima facie case of unpatentability.

Appellants did not respond in their Reply Brief by asserting that they did not understand the Examiner’s new ground of rejection. To the contrary, Appellants’ understanding of the rejection is clearly manifested by their substantive response to the rejection as set forth in their Brief (Reply Br. 2–4).

We also are not persuaded of error on the part of the Examiner by Appellants’ argument that systems are known in the prior art that permit pre-purchasing of gasoline credits, and that the claims do not preempt use of a fundamental economic practice (*id.* at 3). Although the Supreme Court, in

Alice, described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption,” *Alice*, 134 S. Ct. at 2354, characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed.Cir.2015) (citing *Alice*, 134 S. Ct. at 2354). Yet, although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Turning to step two of the *Alice* analysis, Appellants argue that the “recording” step recited in claim 1, i.e., “recording details in a database of a purchase, based on a financial transaction instrument, of a specified number of units of gasoline at a specified price per unit,” is a “meaningful limitation which goes beyond the notion of merely conducting a transaction within a computer environment” (Reply Br. 3–4). Yet recording, i.e., storing, data in a database is undisputedly well-known. *See, e.g., Content Extraction and Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347 (Fed.Cir.2014) (“Applying *Mayo/Alice* step one, we agree with the district court that the claims of the asserted patent are drawn to the abstract idea of 1) collecting data, 2) recognizing certain data within the collected data set and 3) storing that recognized data in a memory. The concept of data collection, recognition, and storage is undisputedly well-known. Indeed, humans have always performed these functions.”). As such, merely storing

data, i.e., the purchase details, in a database, does not provide a meaningful limitation that elevates the claim to the level of patentable subject matter.

We are not persuaded for the reasons set forth above that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner's rejection of claim 1, and claims 2, 4, 5, and 7, which fall with claim 1.

Obviousness

We are not persuaded by Appellants' argument that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 103(a) because none of the cited references discloses or suggests using a single financial transaction instrument to pre-purchase gasoline where a user, in taking delivery, may redeem credits based on the pre-purchased gasoline and may process any amount beyond what is redeemable by credit as a financial transaction, i.e.,

wherein, if it is determined that said transacted gas retail location corresponds with one of said one or more gas retail locations associated with said first credit, then,

if it is determined that said certain number of units [the number of units for delivery] is greater than said specified number of units [the number of units pre-purchased], a charge is calculated by taking the difference between said certain number of units and said specified number of units and multiplying said difference by said certain price per unit, said first credit being adjusted to zero;

selectively adjusting said sale amount to reflect an adjusted sale amount by,

if it is determined that said certain number of units is greater than said specified number of units, making said adjusted sale amount equal to said charge, and

clearing said adjusted sale amount as a final transaction applied against said financial transaction instrument[,]

as recited in claim 1 (App. Br. 5–12). Instead, we agree with the Examiner that Hwang, Stouffer, and Ruckart, in combination, disclose the argued features (Ans. 3).

In rejecting claim 1 under 35 U.S.C. § 103(a), the Examiner cites Hwang as disclosing a system and method for fuel price protection where a customer can pre-purchase gasoline units at a specified price for use in subsequent transactions and as further disclosing that a secondary credit card can be used if the pre-paid units are not sufficient for the transaction (Final Act. 3).³ The Examiner cites Ruckart as disclosing a system and method for pre-purchasing goods, including gasoline, and utilizing the pre-paid units in conjunction with a credit card to make a purchase where the sale price is adjusted to equal the difference between the purchased units and pre-paid units multiplied by the current price per-unit (*id.*). The Examiner further relies on Stouffer as disclosing a single payment card that contains a plurality of pre-paid purses, including a purse for gas purchases, and that can also contain a credit card, which can be used to conduct a seamless split-tender transaction when the pre-paid purse contains insufficient funds for the entire transaction (*id.*)

³ In Hwang, if an account has insufficient credit, the transaction is denied, and the payment for the entire delivery is made using another form of payment, i.e., the secondary credit card (*see, e.g.,* Hwang, Fig. 6b)

The Examiner concludes that it would have been obvious to a person of ordinary skill in the art at the time of Appellants' invention to combine the prepaid gas system of Hwang with the seamless split-tender transaction system of Stouffer because "it easily, quickly, and conveniently allows for a consumer to utilize a multitude of accounts to conduct a transaction while allowing for the consumer to carry less transaction instruments with them" (*id.* at 7 (citing Stouffer ¶¶ 2, 3)). However, the Examiner acknowledges that the combination of Hwang and Stouffer does not disclose that the adjusted sales amount "is calculated by taking the difference between said certain number of units and said specified number of units and multiplying said difference by said certain price per unit," and cites Ruckart to cure this deficiency (*id.*). The Examiner then concludes that it would obvious to a person skilled in the art at the time of Appellants' invention to include the ability to calculate a remaining balance, as disclosed in Ruckart, in the Hwang/Stouffer combination because "the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable" (*id.*).

Appellants state that they are "in agreement with the Examiner on the disclosures of Hwang, Ruckart and Stouffer" (App. Br. 12). But Appellants maintain that the combination of Hwang, Ruckart and Stouffer fails to yield the claimed invention because (1) Hwang allows for pre-purchase of gasoline with subsequent redemption only if sufficient credits are available; (2) Stouffer allows for splitting payment over multiple sources but, in all instances, the transactions are monetary based; and (3) Ruckart requires

utilizing pre-paid units in conjunction with a credit card as separate transactions, and also requires consumer involvement⁴ (*see id.* at 8–12).

Appellants’ argument is not persuasive at least because it is based on the bodily incorporation of the features of Ruckart and Stouffer into the Hwang system, which is not the test for obviousness. Instead, the test is what the combined teachings of these references would have suggested to a person of ordinary skill in the art. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). *See also In re Sneed*, 710 F.2d 1544, 1550 (Fed. Cir. 1983) (“[I]t is not necessary that the inventions of the references be physically combinable to render obvious the invention under review.”); *In re Nievelt*, 482 F.2d 965 (CCPA 1973) (“Combining the teachings of references does not involve an ability to combine their specific structures.”).

In the absence of persuasive arguments or technical reasoning to explain why the motivation set forth by the Examiner is insufficient or why the modification described by the Examiner is more than the predictable use of prior art elements according to their established functions, we are not persuaded of error on the part of the Examiner.

Therefore, we sustain the Examiner’s rejection of independent claim 1 under 35 U.S.C. § 103(a). We also sustain the rejection of dependent claims 2, 4, 5, and 7, which are not argued separately.

⁴ Ruckart discloses that at the point of sale, the consumer is presented with an option to apply pre-paid units for the current purchase. The consumer can accept by entering the number of pre-paid units to apply via a keypad; alternatively, the consumer can press a button to decline (Ruckart ¶ 31).

DECISION

The Examiner's rejection of claims 1, 2, 4, 5, and 7 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 1, 2, 4, 5, and 7 under 35 U.S.C. § 103(a) is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED